

Projects Control Staff
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VALUE OF MECHANIZED TIME ALLOCATION RECORDS IN ADMINISTERING ECONOMIC INTELLIGENCE RESEARCH

Attached are four tables which reflect the labors of the Economic Research Area, ORR, for the fiscal year 1955 and for the first half of fiscal year 1956. On 1 July 1955, the Office of Central Reference (OCR) assumed the machine maintenance of records of time expended by analysts of the Economic Research Area (ERA).

The use of machine records of time expenditure of individuals and components in the ERA greatly increases the degree and effectiveness of control which can be exercised by management at all levels in planning and carrying out an extensive research program. The accuracy, speed, flexibility and efficiency of the machine system make possible a range of statistical summaries and analyses for planning and decision-making which was heretofore impractical when time allocation records were manually tabulated.

The distribution of ERA research and support effort among various consuming agencies and components (see Table 2) and the status of various types of activity (Table 4) can be regularly and accurately reviewed. The machine system has recently made it clear, for example, that the NIS program is requiring a greater proportion (almost double) of our total effort in terms of man-hours than was estimated in the FY '56 plan. As a result of this condition either the program itself or other activities must be curtailed. Similarly, the status of other major time-consuming activities throughout the ERA, such as preparation of NIE contributions in support of ONI, can be continually reviewed to determine whether adjustments are required in the current research programs. Probably the greatest value of the system is the quantitative experience data which are provided for guidance in planning the future allocation of available resources to an integrated research program.

The reporting system enables the Branch Chief to be advised regularly of progress on specific projects in relation to deadlines. This is particularly useful as a management device in directing research, which by nature is subject to imponderables which mitigate against dependable scheduling. The rapidity and flexibility of the machine system is also of value in supplying the experience data necessary to measure and evaluate

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the impact of newly assigned projects and responsibilities on scheduled operations.

The new time reporting system has considerable utility for certain administrative purposes. Information is obtainable from the machine records in almost any desired detail concerning the research production and the distribution of time of analysts, sections, branches and other components. This material, moreover, is readily available to management without the necessity of consulting a unit or any of the individuals concerned. Table 4 summarizes this data for FY '56.

The value of the system now in effect is demonstrated by the FY '56 portions of the attached tables. They reveal the basis upon which ONI plans its research so as to anticipate the needs of national intelligence and the National Security Council. They attest to, in some detail, the fulfillment of ORR's role as suppliers of the results of economic research to the intelligence community.

Table 1 demonstrates that in fiscal year 1955 and fiscal year 1956 one-half of all completed studies were produced as unpublished reports in response to specific demands. The remainder of completed studies resulted in formal publications in fulfillment of ORR's assigned (NSCID 15) continuing responsibility for the production of economic intelligence as a service of common concern to the intelligence community.

The effectiveness of ORR's operations is disclosed by this table, in that only ten percent of its total economic research effort is lost through cancellation of projects.

Trends in research become apparent from the results of ORR's time-recording system, for example:

1. Table 2 indicates that in FY '55 48 percent of total research effort was devoted to direct support of other CIA components and of other agencies, as compared with 58 percent in FY '56.

2. ONI, in its preparation of National Intelligence Estimates, received the LRA's major support contribution in FY '55 (20 percent) and in the first half, FY '56 the percentage for that Office is 17. The LRA's largest consumer for the latter period, however, was the Office of Basic Intelligence (20 percent), to which ORR supplies contributions to National Intelligence Surveys.

3. As partially anticipated by the planners of the FY '56 program, more research was applied to the Far East (FY '55 = 17 percent, FY '56 = 21 percent).

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4. More effort was expended in FY '56 than FY '55 (13 percent vs 6 percent) on studies of the Sino-Soviet Bloc as a whole, rather than on individual countries. Shifting Soviet tactics and trends necessitate reassessments and reappraisals to accord with the geographic area of current interest. In FY '55, the greatest expenditure of research time in the first-half FY '56 was directed to the USSR. Unforeseen in July 1955 was the Soviet's concerted, skillfully organized ambition to penetrate the economies of Free World countries. This subject has attracted considerable attention by ORR. Withall, the genesis of the present threat to US security lies in Moscow, and the strengths and weaknesses of the Soviet economy will continue to absorb the major consideration of economic intelligence research.

5. As desired, a greater application of effort is towards aggregative studies, as distinguished from research on individual sectors (one-third in FY '56 vs one-fourth in FY '55).

In summary, although the system discussed above is relatively new, present results evidence its utility as a valuable instrument for management in administering ORR's research operations.

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